



2016 Operating Budget Outlook

Toronto Public Library Board

June 22, 2015

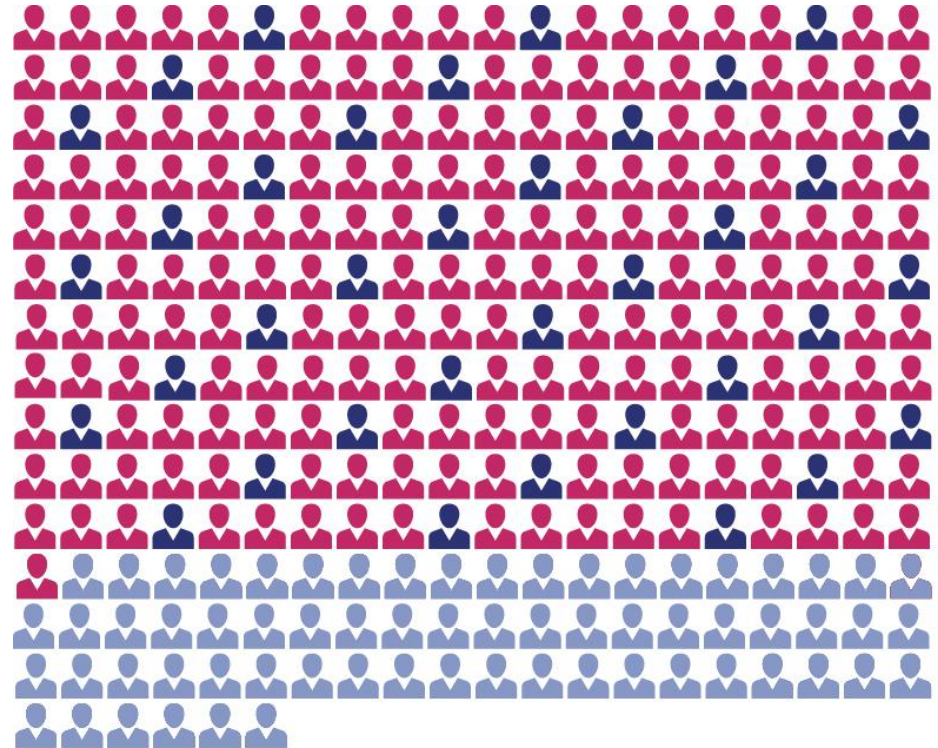


Context of Budget Request

Increasing Demand

Connecting people to information and ideas

In 2012, Torontonians visited the library and borrowed materials in large numbers:



-  72% used the library in 2012
-  One in six visited once a week

Context of Budget Request

Connecting people to information and ideas

In 2014, Torontonians visited the library and borrowed materials in large numbers:

Increasing Demand



18 million visits to branches



30 million visits to the library website



32 million items borrowed



850,000 people attended 34,000 programs



49% increase in the use of e-books



58% of Torontonians used a library computer or accessed the library's wireless network

Context of Budget Request

Increasing Demand (10 years)

Total Circulation	4.8%	↑
In-Person Visits	7.5%	↑
Virtual Visits	40.9%	↑
In-library Use of Collections	-24.1%	↓
Reference Questions	-12.5%	↓
Total Use	13.5%	↑

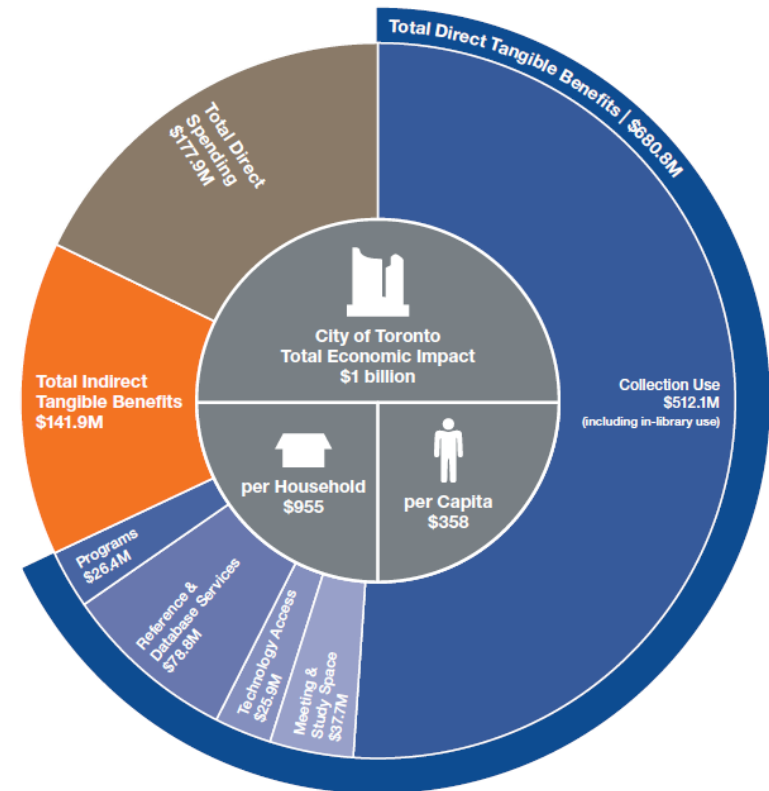
Context of Budget Request

Strong Return on Investment

In 2013, the library commissioned the Martin Prosperity Institute to conduct the first-ever Canadian study to measure the library's economic impact on Toronto

The results clearly demonstrate that TPL delivers a strong return on investment through the delivery of services that enhance Toronto's competitiveness and prosperity, and contribute to a better quality of life for all

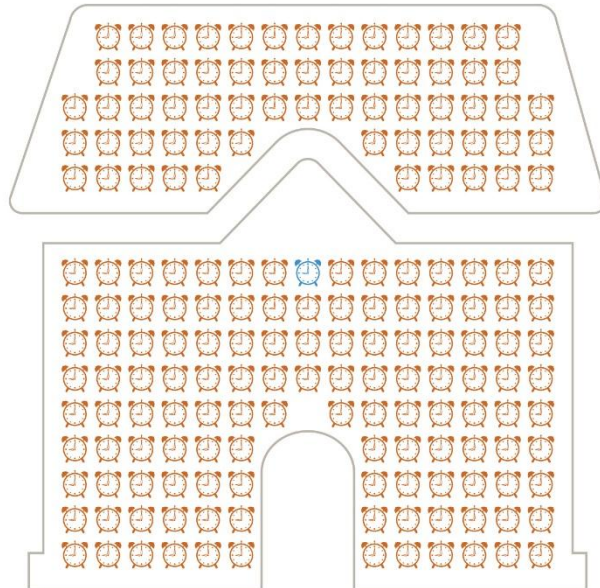
Toronto Public Library creates over **\$1 billion** in total economic impact



\$1 invested = **\$5.63** in economic impact

Context of Budget Request

Strong Return on Investment



 **\$627 million**

total value of all library hours
in 2012.

 **\$2,515**

average value of one open hour.

\$653

average cost of one open hour.



think read listen enjoy
borrow explore watch
experience learn hear
see discuss contemplate

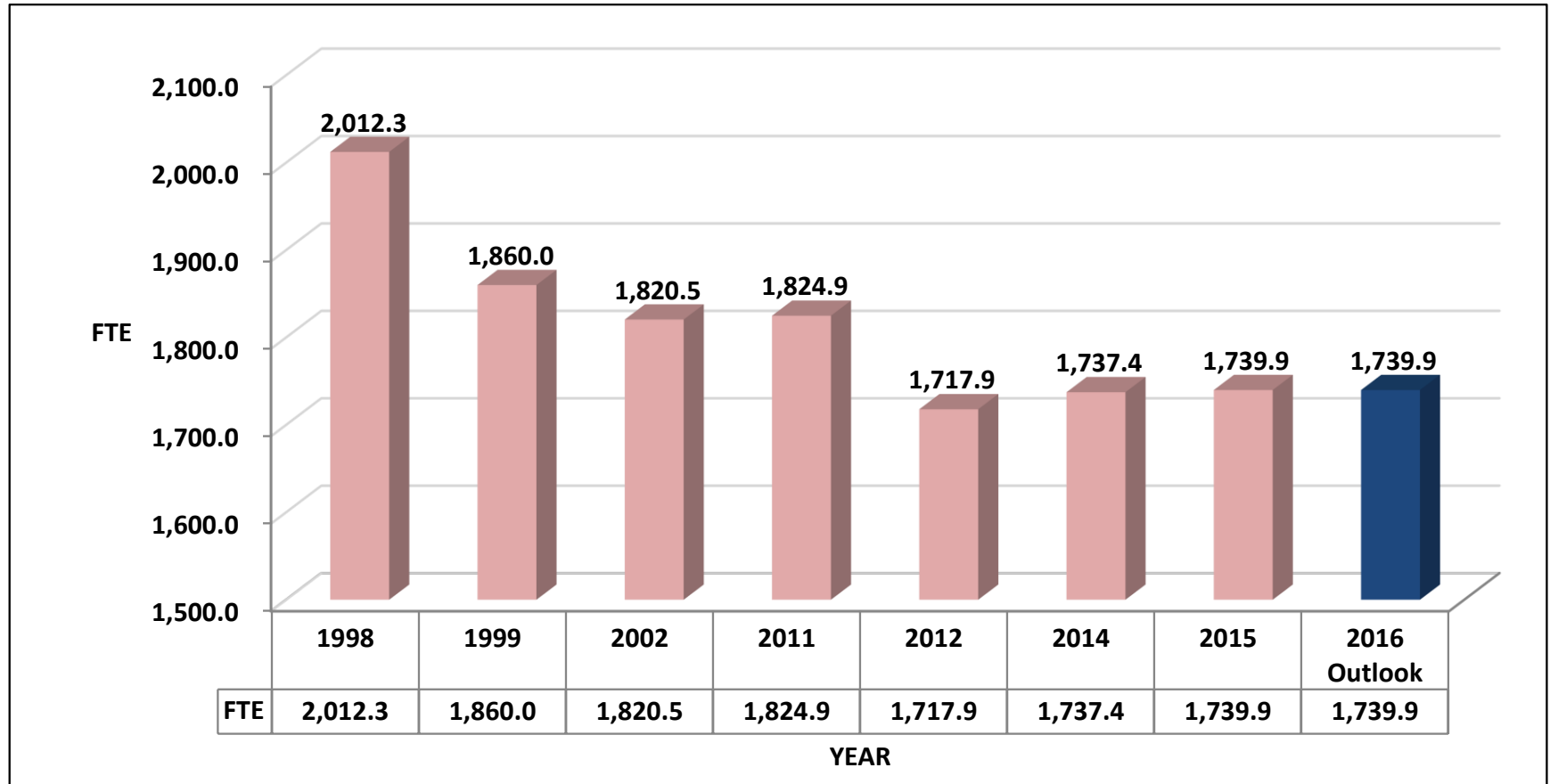
\$502 value of a library
membership.



Based on up to **\$1 billion** in total direct benefits and
use of the library by **72%** of Torontonians.

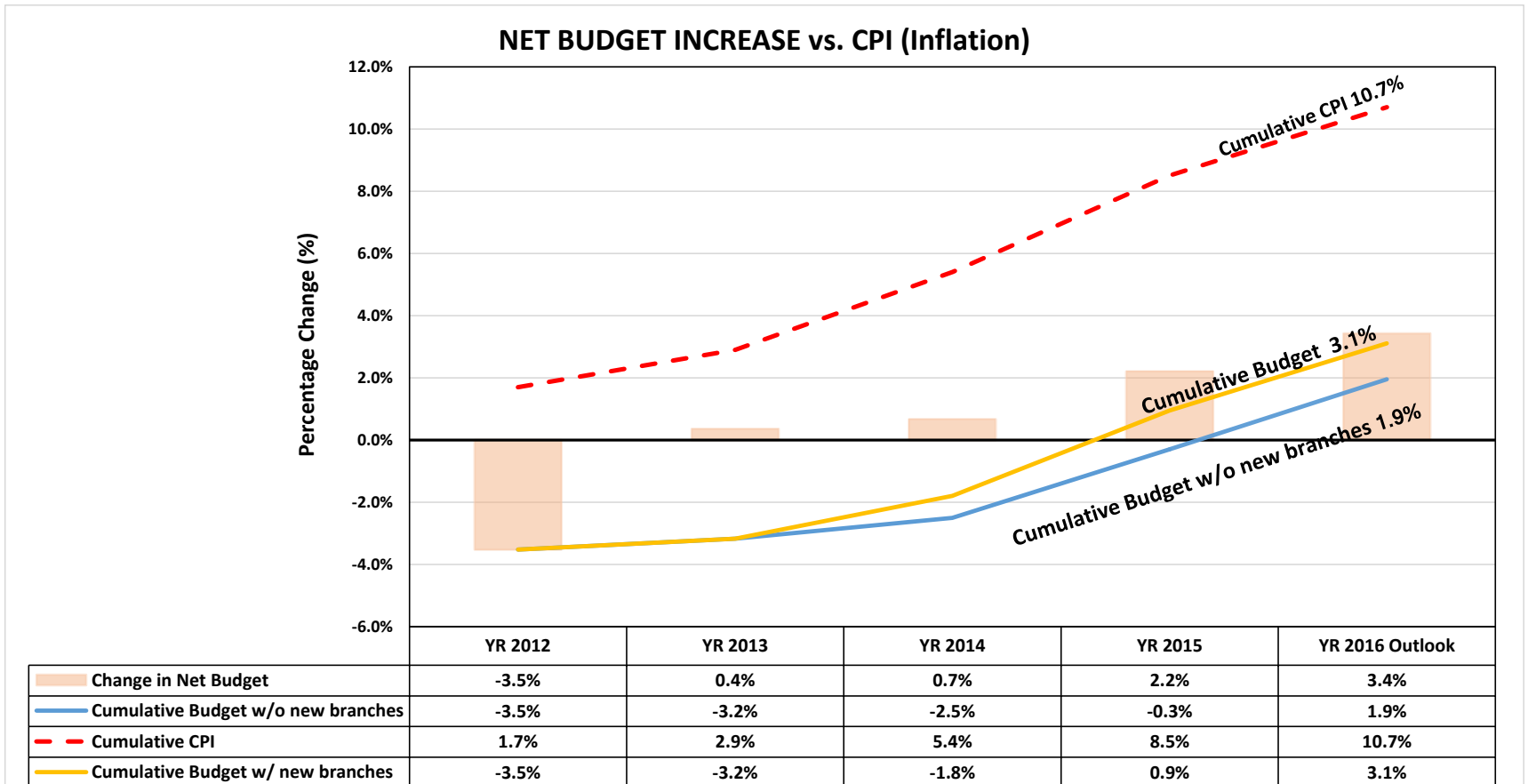
Context of Budget Request

History of Staff Changes



Context of Budget Request

History of Budget Increases



70% below inflation

Context of Budget Request

History of Efficiencies and Budget Savings

- 169 hours of weekly service were added through efficient scheduling and with no increase in staffing
- In 1999 and 2000, 200 positions were deleted
- 111 positions reduced in 2012 and 2013 from efficiency initiatives:
 - 38 positions through self-service technology at all branches, 13 automated sorters and a central sorter
 - 45 positions through business process reengineering using Lean Six Sigma
 - 19 positions through service consolidations for the Urban Affairs branch, distribution hubs, mobile library service and various departments in the Toronto Reference Library
 - 9 positions through restructured management and support staffing

Context of Budget Request

History of Efficiencies and Budget Savings

- Higher development charges (DC) funding to reduce operating budget pressure for collections and IT replacement
- Purchasing power enhanced by participation in provincial consortiums resulting in preferential pricing for collections and electronic databases
- Cooperative purchasing power with the City
- Revenue from tenant leases, fines and facility rentals
- Strategic partnerships
- Increased support from the TPL Foundation
- Benefit from ongoing contribution of volunteers

2016 Base Budget Outlook

Summary

	NET \$000s	%
2015 Approved budget	172,203.0	
Budget pressures		
Cost pressures	3,895.5	2.3%
Revenue losses	391.0	0.2%
	4,286.5	2.5%
Budget reliefs		
Expense reductions	150.0	0.1%
Revenue increases	379.7	0.2%
	529.7	0.3%
Base Budget Increase	3,756.8	2.2%
2016 Base budget outlook	175,959.8	2.2%

2016 Base Budget Outlook

Cost Pressures

	NET \$000s	%
Salary and benefits cost increase	1,562.8	0.91%
Increased cost of contracted services	868.6	0.50%
Library collections increase including US\$ exchange	464.7	0.27%
Increased cost of utilities	310.5	0.18%
Library collections - Province ended e-content subsidy	220.0	0.13%
Operating impact of capital projects	175.3	0.10%
Branch rent increases	150.1	0.09%
Increased cost of supplies, bldg. and fleet maintenance	143.5	0.08%
	<u>3,895.5</u>	<u>2.26%</u>

2016 Base Budget Outlook

Revenue Losses

	NET \$000s	%
Fines revenue reduction	310.0	0.18%
Unrealized advertising revenue	40.0	0.03%
Unachieved revenue from online sales of library material	21.0	0.01%
Discontinued CAP Federal Grant	20.0	0.01%
End of Pan-Am Games funding - program reduction	-	0.00%
	<u>391.0</u>	<u>0.23%</u>

2016 Base Budget Outlook

Expense Reductions

	NET \$000s	%
Savings from external contracts	100.0	0.06%
Cost savings from RFID material tags	25.0	0.02%
Savings from library materials processing supplies	25.0	0.01%
	150.0	0.09%

2016 Base Budget Outlook

Revenue Increases

	NET \$000s	%
Increased recovery from management fees	154.7	0.09%
Projected revenue from premium room rentals	145.0	0.08%
Projected additional revenue from tenant leases	52.0	0.03%
Increased revenue from auditorium and room rentals	28.0	0.02%
	<u>379.7</u>	<u>0.22%</u>

2016 Base Budget Outlook

Budget Target

	NET \$000s	%
2016 Base budget increase	3,756.8	2.2%
1% reduction from 2015 budget	1,722.0	1.0%
Shortfall from target	5,478.8	3.2%

Budget Enhancement

Plan for Open Hours

- In January 2006, the Library Board adopted the Open Hours Plan
 - increase open hours across the city by 25 percent
- The Vision included:
 - More Sunday hours in more branches (213 hours)
 - Late night service to midnight, five nights per week in 19 branches (330 hours)
 - More morning, afternoon and evening hours from Monday to Friday

2006 Approved Plan for Open Hours

	Monday - Friday	Saturday	Sunday
1 Research and Reference Libraries (2 Locations - 91 hours / week)	9 am - 8:30 pm 8:30 pm - 12 late study	9 am - 5 pm	12 - 8 pm
2 District Branches (17 Locations - 91 hours / week)	9 am - 8:30 pm 8:30 pm - 12 late study	9 am - 5 pm	12 - 8 pm
3 Neighbourhood Branches (17 Locations - 65.5 hours / week)	9 am - 8:30 pm	9 am - 5 pm	12 - 5 pm Sept - June (16 Locations)
4 Neighbourhood Branches (28 Locations - 62 hours / week)	9 am - 8:30 pm Mon-Thu 9 am - 5 pm Friday	9 am - 5 pm	12 - 5 pm Sept - June (13 Locations)
5 Neighbourhood Branches (23 Locations - 50.5 hours / week)	10 am - 8:30 pm Mon 12:30 - 8:30 pm Tues, Thu 10 am - 6 pm Wed, Fri	9 am - 5 pm	12 - 5 pm Sept - June (1 Location)
6 Neighbourhood Branches (10 Locations - 40 hours / week)	Closed Mon 12:30 - 8:30 pm Tues, Thu 10 am - 6 pm Wed, Fri	9 am - 5 pm	Closed

History of Increased Open Hours

2 R&R and 17 District Branches

Standardized, 65.5 hours Mon-Sat

Neighbourhood Branches

50% have increased hours Mon-Sat

Increased open hours achieved through:

- Efficient scheduling
- Self-service circulation
- Two new branches

**Achieved increase of 444.5 hours per week,
or 30% of Plan increase**

Budget Enhancement

Summary

	NET \$000s	%
Sunday open hours enhancement	557.5	0.32%
Poverty reduction - Youth Hub Expansion Phase 2	200.0	0.12%
Total enhancements	757.5	0.44%

Budget Enhancement

Sunday Service

Current Sunday Service

27 branches open for 3.5 hours for 37 Sundays
3,496.5 hours; \$2,619K

1st Enhancement: Year-round service

8 existing branches provide year-round service
– 8 additional Sundays
+224 hours; **+264K**

2nd Enhancement: Six additional branches

6 more branches open for 37 Sundays
+777 hours; **+\$294K**

Combined Enhancement

8 branches open for 45 Sundays
25 branches open for 37 Sundays
+1,001 hours; **\$558K**

Total 4,497.5 hours ; \$3,176K

2016 Total Budget Outlook

Summary

	NET \$000s	%
2015 Approved budget	172,203.0	
2016 Base budget increase	3,756.8	2.2%
Budget enhancements	757.5	0.4%
2016 total budget increase	4,514.3	2.6%
2016 total budget outlook	176,717.3	2.6%

2016 total budget increase	4,514.3	2.6%
1% reduction from 2015 budget	1,722.0	1.0%
Shortfall from target	6,236.3	3.6%

2016 Operating Budget

Further Budget Work

- Line-by-line review to continue to refine pressures and reliefs
 - No identified savings from shared services
- Strategies to manage ongoing demand, improve customer service, and fund transformation of 21st century library services
 - More self-service options (online fines payment in-branch, online registration and booking rooms; self-serve access to collections and branches)
 - Leverage library assets to generate additional revenue
 - Work with the Foundation to support identified funding opportunities and help cultivate new ones.
 - DC funding for collections
- Further cuts will impact staffing and the library's ability to deliver services

2016 Operating Budget

Timetable

- Operating budget submission - Sep 21 board meeting
- Administrative review
 - Executive Committee Review of Service Levels – Jun 30
 - City Finance Review - Jul - Sept
 - City Manager, DCM & CFO - Sep - Oct
- Political review dates
 - Informal review meeting with Budget Committee Reps – Sep 15-Oct 16
 - Budget Committee Public Budget Introduction – Dec 15
 - Public Briefings to Budget Committee – Jan 5-11, 2016
 - Budget Committee Public Presentation – Jan 12-14, 2016
 - Budget Committee wrap-up – Jan 18, 2016; final wrap-up – Jan 26, 2016
 - Executive Committee Review – Feb 9, 2016
 - Council Approval – Feb 17-18, 2016



Thank you

